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22 August 1951

MEMORANDUM FOR: Assistant General Counsel
FROM : Assistant Comptroller
SUBJECT : Comparison of Net Salaries

1. Per your request, there is outlined below the comparative net income, after taxes, and after Civil Service Retirement, of a Grade GS-17 and 18, and a "retirement" income of \$8,592.00 which is 40% taxable. These figures are applicable to an individual with one dependent:

<u>Grade or Total Income</u>	<u>Gross Amount Taxable</u>	<u>Amt. of Tax Deduction</u>	<u>Net After Tax Deduction</u>	<u>C S Retirement Deduction</u>	<u>Net After Ret. Deduction</u>
GS-18	\$14,000.00	\$2,280.72	\$11,719.28	\$840.06	\$10,879.22
GS-17	12,200.00	1,956.76	10,243.24	731.90	9,511.24
\$8,592.00	3,436.80 (40% of amount in table (1))	462.80	8,129.20	None	8,129.20

2. The above comparisons are based upon the assumption that the individuals sole income would be from "retirement" or from salary. If the individual receives additional income from investments or other sources, it is obvious that the tax rate on such additional income would be greater if he were drawing salary than if he were drawing "retirement", because of the tax exempt feature on 60% of his "retirement" income.

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Note: Salary tax and retirement figures used above taken from "U. S. Government Salary Tables"